

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION**

IN RE: FREIRICH FOODS, INC., DEBTOR	CASE NO. 24-50204 CHAPTER 11
MOTION FOR ORDER GRANTING AUTHORITY TO REJECT EXECUTORY CONTRACTS	

NOW COMES Freirich Foods, Inc. (the “Debtor”) and moves the Court pursuant to § 365 of the Bankruptcy Code and Rule 6006 of the Federal Rules of Bankruptcy Procedure as follows:

1. On March 20, 2024 (the “Petition Date”), the Debtor filed a voluntary petition seeking relief under Chapter 11 of the Bankruptcy Code and continues in possession of its assets as debtor-in-possession.

2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§157 and 1334, and this matter is a core proceeding under 28 U.S.C. §157(b)(2). Venue is proper pursuant to 28 U.S.C. §§1408 and 1409.

3. The Debtor is a North Carolina corporation that presently conducts its business operations at a production facility located at 815 W. Kerr St., Salisbury, NC (the “Production Facility”). The Debtor is engaged in the business of producing prepared meat products, which it then packages on the Production Facility.

4. The Debtor files this motion seeking authorization to reject certain executory contracts (the “Contracts”) between the Debtor and HJH Companies, Inc., d/b/a The SALT Group (“Salt Group”), briefly described as follows:

a. Comprehensive Service Agreement related to Waste, Telecommunications, Uniforms & Facilities.

b. Comprehensive Service Agreement related to taxes.

5. Pursuant to the terms of the Contracts, Salt Group negotiated savings with respect to the Debtor's service agreement with Aramark, resulting in a fee due to Salt Group for 50% of the savings, payable in quarterly installments of \$19,108.49. As of the Petition Date, seven (7) quarterly installments remained due and the outstanding, and the balance owed is approximately \$133,759.43.

6. No further services are required of Salt Group with respect to the Aramark service agreement, and the Debtor does not anticipate the need for other services from Salt Group post-petition.

7. The Debtor seeks authorization to immediately reject the Contracts as an executory contract, for the following reasons:

a. Salt Group and the Debtor are parties to executory contracts outlined above.

b. No services have been provided by Salt Group post-petition.

c. The Debtor does not require additional services from Salt Group in order to conduct its business.

d. Continuation of the Contracts post-petition would result in treatment of the outstanding quarterly payments as administrative expenses, which would be detrimental to other creditors and to the Debtor's estate.

8. Exercising its business judgment, the Debtor believes that rejection of the Contracts is in the best interest of the Debtor's estate, effective as of the Petition Date.

9. The deadline to file claims for all creditors other than a governmental entity is July 21, 2024.

WHEREFORE, the Debtor respectfully requests that the Court enter an Order authorizing the rejection of the Contracts, effective as of the Petition Date, and allowing Salt Group to file a proof of claim with respect to its rejection damages on or before the later of (i) July 21, 2024, or (ii) 30 days after entry of an order authorizing the rejection of the Contracts.

Date: May 14, 2024

/s/ John A. Northen

Counsel for the Debtor:

John A. Northen, NCSB #6789

jan@nbfirm.com

Vicki L. Parrott, NCSB #25449

vlp@nbfirm.com

Northen Blue, LLP

Post Office Box 2208

Chapel Hill, NC 27515-2208

Telephone: 919-968-4441

Exhibit A



FREINC22TO

1845 Sidney Baker Street
Kerrville, Texas 78028
Toll Free: 888-257-1266
Fax: 888-704-2345
www.thesaltgroup.com
www.thehjhcompanies.com

**Comprehensive Service Agreement
Standard Terms & Conditions**

The HJH Companies, Inc. dba The SALT Group® (Provider) will provide Consulting Services to Forinich Foods, Inc. (Client)
for Client's facility(s) located USA.

Provider will examine, review and analyze Client's accounts payable records, taxes paid or payable by Client (to include duplicate payments) for unauthorized charges, credits, savings and overpayments.

If Provider identifies or obtains refunds, savings, credits, duplicate payments and/or reduces current payments, liabilities, or assessments, including penalty and/or interest, (hereinafter collectively "Benefits") on Client's behalf, Client agrees to pay Provider on the following terms:

Fifty percent of Benefits and/or assessment reductions (including penalty and/or interest) received from vendors and/or other billing parties. Fifty percent of the fee is due and payable upon identification of Benefits. Forty percent of the fee is due and payable upon presentation of Benefits and the remaining ten percent is due and payable upon receipt of Benefits. Payment of a four year extended benefit fee, equal to thirty percent of identified Benefits will be billed in two equal installments: the first upon identification of Benefits and the second upon presentation of Benefits. If any Benefits are subsequently denied by vendors and/or billing parties, Provider will promptly refund any applicable fees. Provider reserves the right to defend all Benefits.

Provider is authorized to present necessary petitions, claims and/or appeals with vendors and/or other parties on Client's behalf and to consult with other parties as necessary to obtain information associated with the recovery or claim of any Benefits. Client hereby agrees to promptly forward all related correspondence and sign all necessary documents presented by Provider.

If Client obtains Benefits using Provider's work product for locations and/or business entities outside the scope of this current agreement, Client agrees to pay Provider as outlined herein.

All fees shall be payable to Provider, at its offices in San Antonio, Bexar County, Texas. Any amounts thirty days past due, shall accrue interest at one and one-half percent per month un compounded until paid. Client also agrees to pay any collections, legal and/or court fees resulting from failure of Client to make payment to Provider as set forth in this agreement. The parties agree not to make any disparaging comments about one another in the event of any disagreements arising from this agreement.

This agreement shall be binding upon and shall inure to the benefit of the successors, assigns, heirs, administrators, executors and devisees of the parties hereto; and Client shall remain liable even though ownership of the business or its assets may change. The parties represent and warrant each has read and has the authority to sign this agreement. This agreement and the incorporated SALT Group® Arbitration Terms and Conditions found at <http://thesaltgroup.com/arbitration-provision/> constitute the entire agreement between the parties and cannot be modified or amended except upon written consent of both parties.

All data furnished to Provider shall be held confidential except as may be required in the performance of this agreement.

You expressly agree that any legal claim, dispute or other controversy between you and The SALT Group® arising out of or otherwise relating in any way to the services or products provided by The SALT Group®, including controversies relating to the applicability, enforceability or validity of any provision of these terms or The SALT Group's® Privacy Policy, shall be resolved in confidential binding arbitration conducted before a single arbitrator. The parties agree the exclusive venue for any action relating to this agreement shall be in San Antonio, Bexar County, Texas, and Texas law shall govern.

Review Start Date Aug 30, 2022

ACCEPTED:

The SALT Group®

BY: [Signature]

TITLE: BDR

DATE: 7/28/22

ACCEPTED:

BY: [Signature]

TITLE: CFO

DATE: 7-28-22

(Client Signature)

(Client Printed Name)



The SALT Group® is your Spending Analysis Liaison Team

Revised (07/28/2020)
TR-ARB
Confidential Property
of The SALT Group®



1845 Sidney Baker Street
Kerrville, Texas 78028
Toll Free: 888-257-1266
Fax: 888-704-2345
www.thesaltgroup.com
www.thehjhcompanies.com

Comprehensive Service Agreement Standard Terms & Conditions

The HJH Companies, Inc. dba The SALT Group® will provide Consulting Services to French Foods, Inc. (Client) for Client's facility(s) located in the United States.

The SALT Group® will examine, review and analyze Client's accounts payable records paid or payable by Client including unauthorized charges, credits, refunds, savings and overpayments.

If The SALT Group® identifies or obtains refunds, savings, credits, duplicate payments and/or reduces current payments or liabilities from vendors and/or other billing parties for a term of four years or based on the terms of Client's vendor agreement or based on the amount of refund/credit obtained by The SALT Group®, or any extension thereof, (hereinafter collectively "Benefits") on Client's behalf, Client agrees to share savings with The SALT Group® on the following terms:

The SALT Group® offers the below options:

50 ☒ ERTC Refund ☒ Freight ☒ Parcel ☒ Waste ☒ Telecom ☒ Uniforms/Facilities ☐ Merchant Services
Sixty percent of Benefits. ~~One-half of the fee is due and payable upon presentation of Client Report presenting identification of Benefits and the remaining one-half of the fee is due and payable upon implementation of identified Benefits.~~ and payable Quarterly

If any Benefits are subsequently denied by vendors and/or billing parties, The SALT Group® will promptly credit or refund any applicable fees. The SALT Group® reserves the right to defend all Benefits. The SALT Group® is authorized to present necessary petitions, claims and/or appeals with vendors and/or other parties on Client's behalf and to consult with other parties as necessary to obtain information associated with the recovery or claim of any Benefits. Client hereby agrees to promptly forward all related correspondence and sign all necessary documents, including but not limited to: Letters of Authorization, Vendor Agreements, and copies of Vendor Invoices, requested by The SALT Group®.

Client represents that it is not currently under contract with and will not engage another firm or individual(s) to perform bill auditing, service optimization, and/or contract negotiation/renewal services in the spending categories under review as agreed to herein. Nor shall the Client attempt to replicate these efforts internally during The Salt Group's® examination, review and identification process. If Client conducts an internal audit, service review or contract negotiation/renewal, fails to return signed documents or, engages any other firm to perform these services in violation of this Agreement, Client shall pay to The Salt Group® sixty percent of any credits, refunds, and savings identified by The Salt Group®.

All fees shall be payable to The SALT Group®, at its offices in San Antonio, Texas. Any amounts thirty days past due, shall accrue interest at one and one-half percent per month un compounded until paid. Client also agrees to pay any legal and/or court fees resulting from failure of Client to make payment to The SALT Group® as set forth in this agreement. The parties agree not to make any disparaging comments about one another in the event of any disagreements arising from this agreement.

This agreement shall be binding upon and shall inure to the benefit of the successors, assignees, heirs, administrators, executors and devisees of the parties hereto; and Client shall remain liable even though ownership of the business or its assets may change. The parties represent and warrant each has read and has the authority to sign this agreement. This agreement and the incorporated SALT Group® Arbitration Terms and Conditions found at <http://thesaltgroup.com/arbitration-provision/> constitute the entire agreement between the parties and cannot be modified or amended except upon written consent of both parties.

All data furnished to The SALT Group® shall be held confidential except as may be required in the performance of this agreement. If Client obtains Benefits using Provider's work product for locations and/or business entities outside the scope of this current agreement, Client agrees to pay Provider as outlined herein.

You expressly agree that any legal claim, dispute or other controversy between you and The SALT Group® arising out of or otherwise relating in any way to the services or products provided by The SALT Group®, including controversies relating to the applicability, enforceability or validity of any provision of these terms or The SALT Group's® Privacy Policy, shall be resolved in confidential binding arbitration conducted before a single arbitrator. The parties agree the exclusive venue for any action relating to this agreement shall be in San Antonio, Bexar County, Texas and Texas law shall govern.

ACCEPTED:

The SALT Group®

BY: [Signature]

TITLE: BOA

DATE: 7/28/22

ACCEPTED:

BY: [Signature]

TITLE: CFO

DATE: 7-28-2022

(Client Signature)

(Client Printed Name)



The SALT Group® is your Spending Analysis Liaison Team

Revised (03-15-2022)
ERTC
Confidential Property
of The SALT Group

Date: 7-28-22

Dear Service Provider,

Our company has contracted with The SALT Group® to act as an agent/consultant to improve our efficiencies in the following areas including Waste, Telecommunications, Uniforms & Facilities, Freight, Merchant Services and Parcel.

If The SALT Group® should contact you, please provide them with the following documentation and information related to the services for our property(s):

1. To review all existing service agreements, service levels, equipment, invoices, pricing data, cost proposals and other information related to services supplied to our company;
2. To discuss, request and receive usage data from all sources and to solicit and receive competitive bids and negotiate contracts for all of our deregulated energy supplies in the United States.;
3. To discuss rate and fee information related to current and future services supplied to our company;
4. To secure refunds and/or credits due to billing errors;
5. To discuss and secure alternative service levels, pricing schedules, cancellations and service agreements on our behalf.

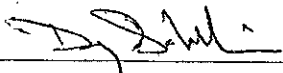
IMPORTANT The SALT Group® will not take over billing for our properties, all invoices should continue to be directed toward their current billing addresses.

Location Name	Service Address	City, State, Zip Code
Freirich Foods Inc	815 W. Kersh St	Salisbury NC 28144

Should you attempt to secure a service agreement signature from any of our property locations, we will not honor any such agreements that were not first reviewed by The SALT Group® and approved by myself. I trust that you will extend the appropriate courtesy and assistance to The SALT Group® and work with them as if you were working directly with our company. The Salt Group® is authorized to generate letterhead and logo for the limited use of this Letter of Authorization due to vendor requirements. If you have questions, please call The SALT Group® at (800) 634-0525.

Sincerely,

Signature



Date

7-28-22

Print Name

Doug Schabowski

Company

Freirich Foods Inc.

Title

CEO

Phone

704-636-2621

Email

doug@freirich.com

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION**

IN RE: FREIRICH FOODS, INC., DEBTOR	CASE NO. 24-50204 CHAPTER 11
CERTIFICATE OF SERVICE	

The undersigned hereby certifies that a copy of the **Motion For Order Granting Authority To Reject Executory Contracts** was served as follows:

A. By automatic ECF notice on May 14, 2024, upon the following:

John Paul H. Cournoyer US Bankruptcy Administrator	Matthew P. Weiner / Stephanie E. Goodbar Counsel for First National Bank of Pennsylvania
Robert J. King, III / Jamey M. Lowdermilk / Kate Elizabeth Giduz Special Counsel for Debtor	Catherine A. Rankin Counsel for Stop & Shop Supermarket Co., LLC

B. By United States Mail, postage prepaid, on May 14, 2024, upon the following:

HJH Companies, Inc. Attn: Officer or Managing Agent 2123 Sidney Baker St. Kerrville, TX 78028	
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Under penalty of perjury, I declare that the foregoing is true and correct, this the 14th day of May, 2024.

/s/ John A. Northen

NORTHEN BLUE LLP
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Counsel for the Debtor